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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4352
INFO RUEHAC/AMEMBASSY ASUNCION 3744
RUEHBO/AMEMBASSY BOGOTA 2271
RUEHBU/AMEMBASSY BUENOS AIRES 1259
RUEHBR/AMEMBASSY BRASILIA 0656
RUEHCV/AMEMBASSY CARACAS 1931
RUEHPE/AMEMBASSY LIMA 5932
RUEHMN/AMEMBASSY MONTEVIDEO 4204
RUEHQT/AMEMBASSY QUITO 2122
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000097

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)

SUBJECT: CHILE MEDIA REPORT - JANUARY 31 - FEBRUARY 2

Leading Stories

1. Dailies continue to highlight different aspects of the investigation of the 1994 Mirage aircraft purchases from Belgium. Dailies also highlighted the FARC's release of four hostages and President Obama's call to Bachelet, inviting her for a state visit.

U.S.-Related News

2. President Obama phoned President Bachelet on January 31. Reportedly, both presidents talked about the effects of the global economic crisis in the region and Obama invited Bachelet for a state visit. El Mercurio stated the Chilean President immediately accepted. Secretary of State Hillary Clinton had phoned Bachelet last week to discuss the bilateral relationship under the new administration (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 1/31; La Tercera, conservative, independent, circ. 101,000, 1/31).

3. The Ministry of Public Work, MOP, said the Embassy had complained to the Foreign Ministry both verbally and in written over the Costanera Sur highway project, which was due to begin in March or April. The reason is that 500 meters of the highway will run along and above one of the Embassy's perimeter walls, jeopardizing the diplomatic mission's security. The project also includes the relocation of an underground pipe that contains embassy communication services. Given the Embassy's observations, MOP Minister Sergio Bitar instructed his advisors to restudy the highway's design. The final project should be ready by the end of February. MOP sources said the Embassy's intervention complicated matters, because rebuilding the would require another US\$1.5 million. Press Attach Timothy Stater said the Embassy had inquired "to learn more about the project and its effects on local traffic patterns" (La Tercera, 1/31).

4. The General Manager of Copesa met with representatives of Periodicos Asociados Latinoamericanos (PAL) in Miami. Copesa wants PAL to publish its dailies La Tercera, La Cuarta, its travel and decoration magazines, web sites, and influential weekly Que Pasa, in the United States (La Tercera, 2/1).

5. Weekly round-up column entitled, "The World Responds to Obama" "Obama continues to surprise everyone in his country and abroad. An example of this was his decision to grant his first television interview to an Arab station.... This is clearly a sign of

rapprochement with a region that looks at the United States with distrust.... The response to (his remarks in that interview) did not take long.... The Iranian President... said his country would only have friendly ties if Washington apologized for the 'crimes' committed by the United States against his country over the past 60 years. In spite of this, the Iranian President left the door open by saying, 'we are patiently awaiting'.... Another important gesture came from Russia, which suspended the deployment of Iskander missiles in Kaliningrade.... These first reactions are clearly auspicious and show that Obama's first steps in foreign policy have had a good level of acceptance."

Cuba

¶6. Cuba has been invited to participate in the Latin American Economic Forum in April, along Mexico, Colombia, Peru, Chile, and a U.S. Department of State official (La Nacion, government-owned, editorially independent, 2/1).

Terrorism

¶7. 28-year old Gustavo Fuentes was arrested as a suspect of several bombings in the Metropolitan Region. The man, who defines himself an anarchist, has admitted to his participation in five bombings. The police are in the process of confirming the information provided by Fuentes (La Tercera, 2/1).

Mirage Scandal

¶8. Senator Eduardo Frei presented two documents to the Senate's special committee investigating the Mirage case, indicating the Aylwin administration was responsible for the purchase of 25

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aircraft. One is a letter of intention with the terms of the deal, signed by President Aylwin. Frei underscored that this document is dated 12 days before he (Frei) took office as President in 1994, and signed by the Air Force Commander in Chile. The second is a copy of the Supreme Decree signed by President Aylwin authorizing the Air Force to go ahead with the purchase. "This was a done deal. We had nothing to do with it," said Frei (La Tercera, 1/31).

SIMONS